

**TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE**



**FISCAL NOTE**

**HB 967 - SB 1708**

March 2, 2009

**SUMMARY OF BILL:** Authorizes local education agencies (LEAs) to use a system-wide average to meet current student-teacher ratios from July 1, 2009 to July 1, 2011. Currently a school-wide average is used.

**ESTIMATED FISCAL IMPACT:**

**Decrease Local Expenditures – Exceeds \$100,000/Permissive  
FY09-10/FY10-11**

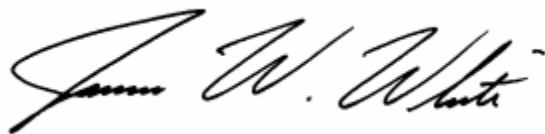
**Increase Local Expenditures – Exceeds \$100,000/Permissive  
FY11-12**

**Assumptions:**

- According to the Department of Education, there will be no savings to state or local government as a result of the BEP generating less money for teacher component funding.
- It is unknown how many LEAs will take advantage of a system-wide student-teacher ratio or how many teachers will be affected. The BEP teacher salary component for one teacher is \$48,000 in salary and benefits. If two teachers state-wide are not hired as a result of this bill, the decrease in local expenditures will be \$96,000. LEAs may choose to hire fewer teachers in FY09-10 and FY10-11, thus experiencing a permissive decrease in local expenditures.
- Portions of the law authorizing system-based student teacher ratios will be effective until June 30, 2011. LEAs that had a decrease in expenditures for FY09-10 and FY10-11 will go back to a school-based system for determining student-teacher ratios in FY11-12.
- In FY11-12, those LEAs who have hired fewer teachers may experience a corresponding increase in expenditures to revert back to the school-based system of student-teacher ratios. Such an increase will be permissive and is estimated to exceed \$100,000.

**CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director

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